



**NATIONAL POLICY ON
METHANOL FUEL
PRODUCTION
TECHNOLOGY**



FEDERAL MINISTRY OF SCIENCE AND TECHNOLOGY



FEDERAL REPUBLIC OF NIGERIA

**National Policy on Methanol Fuel
Production Technology
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TABLE OF CONTENTS

1.0.	Introduction.	7
1.1.	Definition of Terms and Concepts	7
1.2.	Background	..	..	..	..	..	..	..	..	..	7
1.3.	Structure of Programme	..	..	..	..	..	..	..	..	..	9
1.3.1.	Phase 1 : Seeding the Market	..	..	..	..	..	..	..	..	..	9
1.3.2.	Phase 2 : Methanol Fuel Production Programme	..	..	..	..	..	..	..	..	..	9
2.0.	Policy Objectives..	..	..	..	..	..	..	..	..	**	10
2.1.	Objectives	..	..	..	..	..	..	..	..	..	10
2.1.1.	Specific to Transportation Sector	..	..	..	..	..	..	..	..	..	10
2.2.	Policy Environment	..	..	..	..	..	..	..	..	..	10
2.2.1.	Creating Market Demand for Methanol Fuel	..	..	..	..	..	..	..	..	..	10
2.2.2.	Market Entry	..	..	..	..	..	..	..	..	..	10
2.3.	Industry Classification	..	..	..	..	..	..	..	..	..	11
2.4.	Industry Structure, Methanol Fuel Producers and Feedstock Providers	..	..	..	..	..	..	..	..	..	11
3.0.	Regulatory Framework	..	..	..	..	..	..	..	..	..	11
3.1.	Legislative Support	..	..	..	..	..	..	..	..	..	11
3.2.	Methanol Fuel Research and Development	..	..	..	..	..	..	..	..	..	11
3.3.	Funding of Research and Development	..	..	..	..	..	..	..	..	..	12
4.0.	Critical Issues	..	..	..	..	..	..	..	..	..	12
4.1.	Policy Framework	..	..	..	..	..	..	..	..	..	12
4.2.	Regulatory Framework	..	..	..	..	..	..	..	..	..	12
4.3.	Pioneer Status	..	..	..	..	..	..	..	..	..	12
4.4.	Importation	..	..	..	..	..	..	..	..	..	12
4.5.	Blending	..	..	..	..	..	..	..	..	..	13
5.0.	Industry Incentives	..	..	..	..	..	..	..	..	..	13
5.1.	Pioneer Status — Tax Holiday	..	..	..	..	..	..	..	..	..	13
5.2.	Withholding tax on interest, dividends, etc	..	..	..	..	..	..	..	..	..	13
5.3.	Capital Allowance	..	..	..	..	..	..	..	..	..	13
5.4.	Waiver on import and customs duties	..	..	..	..	..	..	..	..	..	14
5.5.	Waiver on value-added tax	..	..	..	..	..	..	..	..	..	14
5.6.	Long Term Preferential Loans	..	..	..	..	..	..	..	..	..	14
6.0.	Way Forward – Immediate Actions	..	..	..	..	..	..	..	..	..	15
7.0.	Methanol Fuel Blending and off-take Guarantees	..	..	..	..	..	..	..	..	..	15
7.1.	NNPC's Role	..	..	..	..	..	..	..	..	..	15
7.2.	NNPC's Commercial Terms for Off-take Guarantees	..	..	..	..	..	..	..	..	..	15
7.2.1.	Price : Petroleum Products Pricing Regulatory Agency (PPPRA)	..	..	..	..	..	..	..	..	..	15
7.2.2.	Volume	..	..	..	..	..	..	..	..	..	15
7.2.3.	Duration	..	..	..	..	..	..	..	..	..	15
7.2.4.	Guarante	..	..	..	..	..	..	..	..	..	15

8.0.	Role of Government Ministries/Agencies	16
8.1.	Department of Petroleum Resources	16
8.2.	Federal Ministry of Finance, Budget and Planning	16
8.3.	Federal Ministry of Agriculture and Rural Development	16
8.4.	Federal Ministry of Industry, Trade and Investment	16
8.5.	Federal Ministry of Environment	17
8.6.	Federal Ministry of Science and Technology	17
8.7.	Federal Ministry of Power	17
8.8.	Federal Ministry of Mines and Steel Development	18
8.9.	Development Partnership — Federal, States and Local Governments	18
8.9.1.	Federal Government	18
8.9.2.	State Government	18
8.9.3.	Local Government	18
9.0.	Others	18
9.1.	Technology Transfer	18
9.2.	Development of the Methanol Fuel Industry Equity Fund	18
9.3.	Funding of Pilot Project	19
9.4.	Qualifying as a Methanol fuel Company	19
9.5.	Methanol fuel Feedstock	19

1.0 INTRODUCTION

1.1. DEFINITION OF TERMS AND CONCEPTS

For the purposes of this Policy :

"Methanol fuel" means fuel methanol and bio-diesel and other fuels made from natural gas, biomass and other sources and primarily used for automotive, thermal and power generation, according to quality specifications stipulated by the Standards Organisation of Nigeria (SON), Department of Petroleum Resources (DPR), and any other competent government agency ;

"Natural Gas" means associated and free gases including gases recovered from flaring and waste dumps ;

"Biomass" means agriculturally produced raw materials which are available on a renewable or recurring basis, including trees, crops, plant fibre, cellulose based materials, industrial wastes, and the biodegradable component of municipal solid waste ;

"Methanol Fuel" means hydrous or anhydrous methanol suitably refined for use as motor fuel or fuel for power generation, according to quality specifications stipulated by SON, DPR, and any other competent government agency or authority ;

"Feedstock Producers Scheme" means an arrangement between Flared gas gathering Companies and Natural Gas producing Companies in oil-rich communities and Methanol fuel plant owners or/and companies for the purposes of feedstock production ;

"ServCos" means Feedstock Service Companies independently managed and set-up for the purposes of providing advisory and allied support to Feedstock producers through Feedstock producers Schemes. ServCos may be companies set up by individuals or fully/partly owned subsidiaries of Methanol fuel Plant operations ; and

"Methanol fuel Feedstock" In this policy qualifies as methanol fuel feedstock for production in the country ; natural gas (associated and free), recovered flared gas, petroleum fractions, coal, waste dumps, biomass from agricultural crops such as : Cassava, Sugarcane, Oil Palm, Jatropha, cellulose-based materials and any other crop as may be approved by Methanol fuel Research Institute (NARICT).

1.2. BACKGROUND

ACT No. 1 of 1980 established the Federal Ministry of Science and Technology and mandated the Ministry to among others chart the course of technological development in the country including research and development, policy formulation, supervision and promotion of all matters of science, technology and innovation in the country. Since 1956 when Nigeria discovered crude oil in commercial quantities in Oloibiri and subsequent exploitation, the country has not benefitted from the raw materials value-chain industry programme as obtained in some OPEC member states including in-country human capacity and infrastructural development. The attendant effect is that today, Nigeria is a consumption-oriented economy

of all types of technologies and consumer goods and services leading to huge infrastructural deficit in electricity, road network, housing, portable water, agriculture and food security, etc.

Furthermore, Nigeria's signing of the Paris Agreement which will come into force in 2020 implies that staying on the trajectory of technology consumption orientation will spell doom for the ever-growing Nigerian population with a growth rate currently put at about 3% per annum. Nigeria has committed herself to 45% cut in global warming under the Nationally Determined Contribution (NDC) in five sectors namely Oil and Gas, Agriculture, Energy, Transportation and Industry which are strategic to the Nation's continued economic survival.

In 2016, the World Energy Council rated Nigeria as 9th in the world with proven natural gas reserves amounting to 199.09 trillion cubic feet (TCF) as indicated in DPR 2017 Oil and Gas Annual Report. The country's oil and natural gas industry typically accounts for 75% of government revenue and 90% of total export earnings. The Nation's economy is vulnerable to a drop in crude oil prices as it is very dependent on oil revenue. Due to lack of utilization infrastructure, Nigeria still flares about 750 million Standard Cubic Foot per day (SCF/D) of the natural gas it produces amounting to about 11% as at 2017 resulting in serious environmental pollution.

In order to facilitate effective and efficient utilisation of the country's huge deposits of gas reserves, reduce gas flaring and environmental pollution, the introduction of methanol fuel technology has become very imperative.

The use of Methanol fuel in Nigeria is anticipated to make significant impact on petroleum products quality enhancement in view of the current limitations of the fossil-based fuels which have not kept pace with the increasing demand for environmentally friendly fuel.

Other anticipated benefits of Methanol fuel Programme include the following:

(a) additional tax revenue for the government from the economic activities attributable to the industry;

(b) job creation, increased economic development and empowerment of rural communities;

(c) raw materials beneficiation and spin-off industries from increased research and development activities in the industry;

(d) energy benefits — co-generation benefits, etc.; and

(e) environmental benefits — reduction in tailpipe emissions and ozone pollution, reduction in particulate emission, and replacement of toxic octane enhancers in gasoline.

Research has proven that methanol can be used as an alternative fuel in Nigeria as obtained in Israel, India, Brazil, China, USA, etc. Natural gas contains about 85% of methane (CH_4), 2.5% Carbon dioxide (CO_2), 6 - 8% of ethane (C_2H_6) and other tiny percentages of propane, isobutene, pentane, hexane amidst all others. The aim of this policy is to gradually reduce the nation's dependence on imported gasoline, reduce environmental pollution while

at the same time creating a commercially viable industry that can precipitate sustainable domestic jobs. The Methanol Fuel Production Technology programme constitutes a major and unique attempt to expand Nigeria's chemicals industry value-chain based on the nation's abundant natural gas that is currently being flared and enable the country achieve the global warming reduction commitment expressed in the Nationally Determined Contribution under the 2015 Paris Agreement.

1.3. STRUCTURE OF PROGRAMME

The plan for the implantation of Methanol fuel programme in Nigeria is segmented into the following phases—

1.3.1. PHASE 1—SEEDING THE MARKET

This will involve the blending of up to 15% of Methanol fuel with gasoline to achieve a blend to be known as M15. This phase will commence with a seeding of the market through importation of Methanol fuel in the first three years of the policy. This will make room for sufficient capacity and capability under the Government's technology acquisition agreement which would have been developed in the country for large scale production of methanol fuel feedstock and establishment of Methanol fuel plants.

The seeding phase is expected to commence with initial penetration of selected cities during the first 3 years of the programme, followed by a national roll-out programme.

1.3.2. PHASE 2—METHANOL FUEL PRODUCTION PROGRAMME

This phase will commence concurrently with the seeding programme under the Blending implementation phase. This will be the core of the natural gas beneficiation programme and gathering of the flared gas which will entail the establishment of modular and small-scale methanol and gas gathering plants and the construction of large scale methanol fuel plants in the country.

Based on current demand for gasoline in the country, at 15% blend ratio with methanol fuel, about 1.95 billion litres per year will be required for the country, this is estimated to increase to about 2.65 billion litres by 2020. It is also estimated that market demand for methanol blended diesel will be about 900 million litres by 2020 as compared to current market possibility of about 480million litres for a 25% blend for diesel. The Methanol fuel Production programme aspires to achieve 100% domestic production of methanol fuels consumed in the country by 2025.

Investment in domestic production of methanol fuel will be private sector driven, with the government through the Federal Ministry of Industry, Trade and Investment and its various agencies providing an environment conducive to players in the industry.

2.0. POLICY OBJECTIVES

2.1. OBJECTIVES

The main objective of the Methanol Fuel Production Technology programme is to expand the chemicals industry value-chain through benefiting the immense natural gas and biomass resources in Nigeria and firmly establish a thriving methanol fuel industry as a means of improving the quality of automotive fossil-based fuels for transportation and power generation in Nigeria. The Policy shall link the oil and gas, transportation, agriculture, energy and the industry sectors covered in Nigeria's NDC with the underlying aim of stimulating green economic development of our Nation.

2.1.1. SPECIFIC TO TRANSPORTATION SECTOR, the policy will allow—

(a) the Minister of Petroleum Resources to make appropriate regulation pursuant to his powers under the Petroleum Act whereby methanol fuel blends shall become available for sale and use within Nigeria ;

(b) NNPC guarantee off-take of methanol blended fuels produced within the country under agreed contractual terms.

In broad terms, the policy aims to—

(a) promote job creation, industrialization and technology acquisition, development and transfer ;

(b) provide a framework which is capable of attracting foreign investment in the Methanol fuel industry ;

(c) involve the oil and gas industry in a more purposeful development of other sectors of the nation's economy.

2.2. POLICY ENVIRONMENT

2.2.1. CREATING MARKET DEMAND FOR METHANOL FUEL :

(1) The Federal government of Nigeria hereby approves the blending of methanol fuel as a component of fossil-based fuel in the country as required for all automotive use. This blend shall involve the process of upgrading fossil-based fuel.

(2) It is envisaged that from the take-off of the programme, full national implementation shall be achieved within 5 years.

2.2.2. MARKET ENTRY

(1) Market entry shall be through registration of Methanol fuel plants manufacturing methanol fuel or/and biodiesel with the possible addition of a co-generation power plant by the DPR.

(2) Organisations/investors interested in Methanol fuel Production in the country shall be duly registered with the Federal Ministry of Industry, Trade and Investment.

2.3. INDUSTRY CLASSIFICATION

For the purpose of this Policy, investment in the Methanol Fuel Industry shall involve all activities along the value-chain and be treated as cross-cutting all sectors. It shall also benefit from the incentives put forward for all the five sectors mentioned in the Nigeria's NDC document.

2.4. INDUSTRY STRUCTURE—METHANOL FUEL PRODUCERS AND FEEDSTOCK PROVIDERS

(1) Policy will support the emergence of an industry in which substantial portion of feedstocks used by methanol fuel plants will be produced by large scale producers and feedstock providers.

(2) Integrated (Plants and Feedstock providers) Methanol fuel operations will be encouraged to set up Servicing Companies to support the emergence of feedstock providing scheme approved by the Federal Ministry of Industry, Trade and Investment.

(3) Methanol fuel producers are required to establish documented, transparent, fair and auditable contractual terms with methanol fuel feedstock providers; long term contracts are encouraged.

(4) Methanol fuel producers are required to use auditable feedstock weighting equipment and methodologies that are prescribed by the Department of Weights and Measures of the Ministry of Industry, Trade and Investment.

3.0. REGULATORY FRAMEWORK

3.1. LEGISLATIVE SUPPORT

In order to facilitate the market entry of Methanol blended fuel, the Minister of Petroleum shall, pursuant to the powers vested on him under Section 9 of the Petroleum Act, make Regulations relating to Methanol fuel activities.

3.2. METHANOL FUEL RESEARCH AND DEVELOPMENT

(1) One of the Research Agencies of Federal Ministry of Science and Technology known as the National Research Institute for Chemical Technology (NARICT) shall act as the central coordination body for methanol fuel research in the country.

(2) The NARICT is headed by a Director-General/CEO appointed by the President on recommendation of the Hon Minister of Science and Technology.

(3) The Agency shall coordinate methanol fuel technology deployment programme and collaborate with the research and development efforts of other Agencies in the oil and gas, transport, industry, agriculture and energy sectors and other relevant agencies.

(4) The NARICT shall collaborate with the Ministries of Science and Technology, Industry, Trade and Investment, Agriculture and Rural Development and Petroleum Resources to provide direction for research in feedstock production, industry technology and processes pertaining to the production of methanol fuel.

3.3. FUNDING OF RESEARCH AND DEVELOPMENT

To encourage synergy of both the private and public sectors in Research and Development (R&D), the following steps shall be taken—

(a) A Research and Development fund provision shall be made into which all Methanol Fuel companies shall contribute 0.25% of their net revenue for the purposes of funding Research into feedstock and methanol production, local technology development and improved natural gas processing practices ; and

• (b) The Fund shall be established by the Federal Government. This fund shall be in the custody of the Central Bank of Nigeria and shall be disbursed by the Bank of Industry through the Federal Ministry of Science and Technology and Federal Ministry of Industry, Trade and Investment.

4.0. CRITICAL ISSUES

4.1. POLICY FRAMEWORK

Methanol use as fuel is not covered by the current Nigeria Bio-fuels Policy and Incentives but can be obtained from Biomass feed stocks mentioned in the *gazetted* Policy document in small quantities. Broad-based policy framework will be required for full scale methanol value-chain programme in Nigeria.

4.2. REGULATORY FRAMEWORK

Legislative Support in order to facilitate the market entry of Methanol fuel, the Minister of Petroleum Resources shall, pursuant to the powers vested on him under Section 9 of the Petroleum Act, make Regulations relating to Methanol blended fuel activities while the Minister of Industry, Trade and Investment is to regulate the production, processing and value addition of Methanol fuel activities.

4.3. PIONEER STATUS

The methanol fuel industry is not included in the list of approved industries conferred with pioneer status for purposes of benefitting from the incentives granted under the Industrial Development (Income Tax Relief) Act. Therefore, policy for methanol fuel adoption will require the granting of Pioneer Status incentives for an initial 3-year period with the possibility of additional 2 years ~~extension~~.

4.4. IMPORTATION

An import duty waiver for methanol-fuels granted by the President pursuant to his powers under section 13 of the Customs, Excise, Tariff, etc (Consolidation) for 3 years will be required to allow for complete domestication of methanol fuel production and technology in Nigeria.

The Federal Ministry of Industry, Trade and Investment permit (under administrative procedure) will be required for the importation of Methanol fuels until adequate production is achieved locally.

4.5. BLENDING

Blending will be carried out initially by NNPC and interested oil marketers at their depots according to requirements specified in the Methanol-blended fuel Regulations put in place by the Minister of Petroleum Resources and Standards Organisation of Nigeria for the accepted standards.

5.0. INDUSTRY INCENTIVES

5.1. PIONEER STATUS TAX HOLIDAY

All registered businesses engaged in activities related to Methanol fuels production and the production of feedstock for the purpose of Methanol fuel production and co-generation within the country shall be accorded pioneer status within the provisions of the Industrial Development (Income Tax Relief) Act.

5.2. WITHHOLDING TAX ON INTEREST, DIVIDENDS, ETC.

Methanol fuel Companies shall be exempted from taxation, withholding tax and capital gains tax imposed under sections 78,79,80 and 81 of the Companies Income Tax Act in respect of interest on foreign loans, dividends, services rendered from outside Nigeria to Methanol fuel companies by foreigners.

5.3. CAPITAL ALLOWANCE

Methanol Fuel Companies shall also benefit from the tax rebate under the capital allowance through annual acceptance certificate.

5.4. WAIVER ON IMPORT AND CUSTOMS DUTIES

Methanol fuel companies shall be exempt from the payment of customs duties for machineries and equipment and all other administrative charges and levies of a similar nature, specifically—

(a) methanol Fuel Companies shall be exempted from the payment of duties and other related taxes on the importation and exportation of bio-fuels into and out of Nigeria. Exemption from payment of import duties on Methanol fuels is aimed at ensuring adequate supply of methanol fuels to the domestic market in line with regulations as it relates to the importation of petroleum products. Methanol fuel companies shall be exempt from payment of import duties on methanol fuels for an initial 3-year period subject to renewal depending on prevailing circumstances.

(b) methanol fuel product (and not Companies) shall be exempt from the payment of import duties, taxes and all other duties, levies and charges of a similar nature, in respect of all necessary imports of plant machinery, goods, chemicals, fertilizers, pesticides and materials for use in the construction of, or incorporation in gas gathering plants, infrastructure for methanol fuels transportation, cogeneration facilities and ancillary works used in Methanol fuel Companies business, and in respect of any major spare parts.

5.5. WAIVER ON VALUE-ADDED TAX

Methanol fuel companies that are involved in the production of methanol fuels feedstock or the production of methanol fuels and or the generation of electricity from methanol shall be exempt from payment of value-added taxes on all products and services consumed by them during the period of pioneer status.

5.6. LONG-TERM PREFERENTIAL LOANS

Preferential Loan arrangement will be made available to investors in the Methanol fuel Industry to aid the development of Large-Scale Methanol value-chain Schemes and large scale integrated operation including gas gathering and processing plants and within-the gate co-located power generating plants. The domestic financing of Industrial Production for the Methanol fuel Industry shall be aided through the provision of special low interest loans to be provided by Bank of Industry, Nigerian Export Import Bank, Commercial banks, and other development finance agencies.

Preference in loan disbursement will be given to investors/organisations with commercially viable natural gas processing schemes as source of significant feedstock supply for methanol fuel production.

An Environmental Degradation Tax shall be charged on Oil & Gas upstream operations to provide a source of funding for preferential Loans for investment in methanol fuel distilleries/plants on a single-digit interest rate.

Preferential Loan facilities shall be administered by the Central Bank of Nigeria through Bank of Industry.

6.0. WAY FORWARD — IMMEDIATE ACTIONS

For the immediate commencement of the Methanol Value-chain programme, the steps identified below will be initiated—

(a) the Minister of Industry, Trade and Investment shall issue regulations for Methanol-fuel use in the country, including the power to grant permissions and licenses for importation, transportation and marketing of Methanol fuel in the country while the Minister of Petroleum Resources shall issue such for blended methanol fuels ;

(b) the Federal Ministry of Industry, Trade and Investment (Administrative procedure) shall grant import duty waiver for Methanol fuel imports into the country based on the capacity to meet the national demand ;

(c) the President shall designate the Methanol fuel Industry to enjoy a Pioneer Status for 5 years (initially for 3 years and then another two years based on evaluation) ;

(d) The Minister of Finance, pursuant to powers under section 38 of the Value Added Tax (VAT) Act shall make an order modifying the list of exempted goods and services, so as to reflect the needs of the Methanol-fuel industry ;

(e) Petroleum marketers shall be required to revamp their retail outlets and shall be recertified by the DPR prior to sales and marketing of Methanol-blended fuels.

7.0. METHANOL FUEL BLENDING AND OFF-TAKE GUARANTEES

7.1. NNPC'S ROLE

NNPC shall—

(a) implement the blending requirements for Methanol-blended fuel use in the country in line with the directives of Minister of Petroleum Resources as well as MDAs involved in determining fuel specifications in Nigeria ;

(b) guarantee off-take of methanol fuel produced within the country as the buyer of last resort ;

(c) support the development of Methanol fuel downstream sector activities, e.g. depot modifications, distribution assets ; and

(d) invest in methanol-blended fuel Joint Ventures and import/export facilities for the purpose of seeding the industry.

7.2. NNPC'S COMMERCIAL TERMS FOR OFF-TAKE GUARANTEES

NNPC as buyer of last resort guarantees off-take of methanol-blended fuel produced in the country at negotiated price and contractual terms as follows—

7.2.1. PRICE—PETROLEUM PRODUCTS PRICING REGULATORY AGENCY (PPPRA)

Prices are to be based on hybrid formula combining market-based and fair return or cash cost pricing.

7.2.2. VOLUME

NNPC shall take 100% of volume offered by supplier if agreed prices meet conditions stipulated above.

7.2.3. DURATION

Off-take period shall be 10 years from project commission for new projects, with 3 years renewal option at the end of the initial term.

7.2.4. GUARANTEE

(a) contract includes a Take-or-Pay clause at agreed price conditions Supply and Payment ;

(b) methanol-blended fuel product is to be delivered at certified NNPC depot (which can receive methanol fuel) after proper notification to NNPC ;

(c) suppliers are to be paid according to negotiated payment terms Quality ;

(d) delivered methanol fuel product must meet specifications set by SON ; and

(e) methanol fuel product quality is to be assessed by NNPC before delivery at depot in order to be accepted.

8.0. ROLE OF GOVERNMENT MINISTRIES, DEPARTMENTS AND AGENCIES

8.1. DEPARTMENT OF PETROLEUM RESOURCES

In respect of all Methanol fuels intended for use in automotive, commercial and domestic fuel consumption, the Department of Petroleum Resources (DPR) shall exercise regulatory control over all processes involved in the blending, Standards Organisation of Nigeria (SON) and National Automotive Design and Development Council (NADDC) for distribution and retail, Weight and Measure Department of FMITI for Methanol-blended fuel products and its derivatives as follows—

(a) implement policy guidelines and procedures regulating the distribution and use of methanol-blended fuels for automotive, commercial and domestic consumption ;

(b) monitor and ensure strict adherence to approved methanol-blended fuel products specifications (SON, Weight and Measure Department.) ;

(c) monitor and approve all concepts, designs, construction and operations for modification of existing facilities for methanol fuel storage, transportation and retail in collaboration with FMITI ; and

(d) certify and approve all retail outlets intended for methanol fuel sales.

8.2. FEDERAL MINISTRY OF FINANCE, BUDGET AND NATIONAL PLANNING

The Ministry of Finance, Budget and National Planning shall—

(a) ensure that fiscal incentives are put in place to ensure the sustained growth and development of the industry ; and

(b) monitor the production and importation programme of methanol fuels through the Federal Internal Revenue Service and the Nigerian Customs Service.

8.3. FEDERAL MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT

The Federal Ministry of Agriculture and Rural Development shall—

(a) have direct responsibility for developing a monitoring framework for the administration of outgrower schemes in case of biomass sources for methanol production ;

(b) have responsibility for co-ordinating the activities of Agricultural Research Institutes in the country for the development of improved feedstock seed varieties and modern farming practices. Co-ordination will be through the Methanol fuels Research Institute (NARICT) ; and

(c) Formulate and implement appropriate policy guidelines, regulatory and incentive regimes in the agricultural sector to support the methanol fuel industry.

8.4. FEDERAL MINISTRY OF INDUSTRY, TRADE AND INVESTMENT

The Federal Ministry of Industry, Trade and Investment shall—

(a) implement manufacturing policy guidelines, and incentive regimes relating to sections of this Policy and other related legislation which support the development and sustainability of the Nigeria Methanol Fuel industry ;

- (b) engage domestic financial and commercial sectors of the economy in stimulating growth of the Methanol fuel Industry in Nigeria ;
- (c) implement relevant commercial policy guidelines, regulatory and incentive regimes relating to this policy document and other related legislation in the country which support the development and sustainability of the Nigerian Methanol fuel industry ;
- (d) monitor and approve all methanol fuel product importations ;
- (e) facilitate co-operation between host communities and methanol fuel companies operating in the country ;
- (f) support land acquisition and utilization strategies by Methanol fuel companies.
- (g) co-ordinate the activities of all commerce and export-related agencies such as Nigerian Investment Promotion Council, Small and Medium Enterprises Development Agency of Nigeria, etc. to support the development of the Nigerian Methanol Fuel Industry ; and
- (h) co-ordinate the activities for the control of standards and quality as well as the volume dispensed through SON and Weight and Measure Department of FMITI respectively.

8.5. FEDERAL MINISTRY OF ENVIRONMENT

The Federal Ministry of Environment shall—

- (a) formulate environmental policy guidelines to guide the activities of stakeholders in the Nigerian Methanol fuel Industry ;
- (b) support qualification of Methanol fuel industry projects under the Clean Development Mechanism (CDM) ;
- (c) regulate effluent levels permissible within the methanol fuels industry ; and
- (d) regulate standards for the conduct of Environmental Impact Assessment of methanol fuel projects.

8.6. FEDERAL MINISTRY OF SCIENCE AND TECHNOLOGY

The Federal Ministry of Science and Technology shall—

- (a) co-ordinate the engagement of appropriate technology in the development of the Nigerian Methanol fuel industry ;
- (b) facilitate Methanol fuel technology transfer ; and
- (c) have responsibility for supervising and co-ordinating the Methanol Fuel Research Institute (NARICT) and the activities of relevant research institutes for development of appropriate technology for the industry.

8.7. FEDERAL MINISTRY OF POWER

The Federal Ministry of Power shall—

(a) co-ordinate the integration of cogenerated power by methanol fuel plants into the National grid ; and

(b) provide modalities for Power Purchase Agreement between Methanol fuel plants and power off-takers.

8.8. FEDERAL MINISTRY OF MINES AND STEEL DEVELOPMENT

The Federal Ministry of Mines and Steel Development shall coordinate all backward integration and domestication of methanol fuel infrastructure facilities for the industry.

8.9. DEVELOPMENT PARTNERSHIP – FEDERAL, STATE AND LOCAL GOVERNMENTS

8.9.1. The Federal Government shall—

(a) be involved in the provision of infrastructure, amenities and facilities to communities where Methanol fuel companies operate ;

(b) provide funding in conjunction with the State and Local Governments for infrastructure requirements of areas identified for Methanol fuel Operations ;

(c) provide infrastructure requirement shall include the provision of roads, electric power and water supply.

8.9.2. STATE GOVERNMENTS

Shall facilitate agricultural land procurement and utilization by Methanol fuel companies and the establishment of good relationships between Methanol fuel companies, local governments and host communities.

8.9.3. LOCAL GOVERNMENTS

Shall in conjunction with the State Governments and Methanol fuel companies organize out-growers and other co-operative schemes for the host communities.

9.0. OTHERS

9.1. TECHNOLOGY TRANSFER

To ensure that appropriate technology is acquired and used within the country, Methanol Fuel companies shall liaise with and report to the National Office on Technology Acquisition and Promotion (NOTAP) according to conditions spelt out in the NOTAP Act Cap. N62, LFN, 2004.

9.2. DEVELOPMENT OF THE METHANOL FUEL INDUSTRY FUND

(1) Federal Government will institute appropriate funding arrangement for the establishment of a methanol fuel Industry Fund.

(2) The purpose of this fund will be to stimulate investment in the methanol fuel industry including Technology acquisition.

9.3. FUNDING OF PILOT PROJECTS

Federal and State Government working with other private companies should fund pilot projects aimed at demonstrating technical and commercial viability of new methanol fuel feed stocks and products.

9.4. QUALIFYING AS A METHANOL FUEL COMPANY

(1) The Pioneer Status incentives provided for in this Policy shall be available only to stakeholders in the Nigerian Methanol fuel Industry who are involved in the production and distribution of methanol fuel or biodiesel sourced from feedstock cultivated in Nigeria.

(2) Companies which qualify for these incentives are those identified along the entire value chain of the methanol fuel industry, and for purposes of this policy will be referred to as "Methanol Fuel Companies".

(3) Methanol fuel Companies include subsidiaries of such organizations in so far as such subsidiaries are wholly involved in methanol fuel related activity.

9.5. METHANOL FUEL FEEDSTOCK

(1) The utilization of Natural Gas for synthetic gas for the purpose of catalytic production of methanol in Nigeria for automotive fuels and power generation shall be encouraged.

(2) For diversification purposes, cellulosic materials from crops like cassava, sweet potato and maize shall be encouraged for use as methanol feedstock in the future.

(3) Feedstock other than Palm Oil and Jatropha can be explored for the production of bio-diesel.

(4) The beneficiation of abundant coal deposits in Nigeria for the production of methanol shall be encouraged to fast track energy development for industrialization in Nigeria.

(5) The production of methanol from abundant waste dumps in the country shall also be encouraged in Nigeria.

(6) The development of transgenic varieties of cassava, sugarcane, sweet potato and maize, that are customized specifically for efficient production of methanol fuel as a long term plan shall be promoted.

(7) The adoption of modern micro-propagation method (such as tissue culture) to facilitate the production of adequate raw materials for methanol fuel industry shall be enhanced.

(8) The research for new conversion process technologies shall be encouraged e.g. research and development of transgenic yeast and other micro-organisms for efficient and continuous process of methanol fuel production.

The National Policy on Methanol Fuel Production Technology is owned by Federal Ministry of Science and Technology and approved by the Federal Executive Council on the 23rd of October, 2019.



FEDERAL MINISTRY OF
INDUSTRY, TRADE
AND INVESTMENT



FEDERAL MINISTRY OF
NIGER DELTA AFFAIRS



Ministry of Petroleum Resources



FEDERAL MINISTRY OF
ENVIRONMENT



FEDERAL MINISTRY OF FINANCE,
BUDGET AND NATIONAL PLANNING



MINISTRY OF MINES AND
STEEL DEVELOPMENT



FEDERAL MINISTRY OF
WOMEN AFFAIRS



FEDERAL MINISTRY OF AGRICULTURE
AND RURAL DEVELOPMENT



MINISTRY OF POWER



FEDERAL MINISTRY OF
TRANSPORTATION